

Delta Organization & Leadership

June 26, 2007

**Toronto Waterfront Revitalization Corporation
Value-for-Money Audit/Organization Review**

Presentation of Final Report

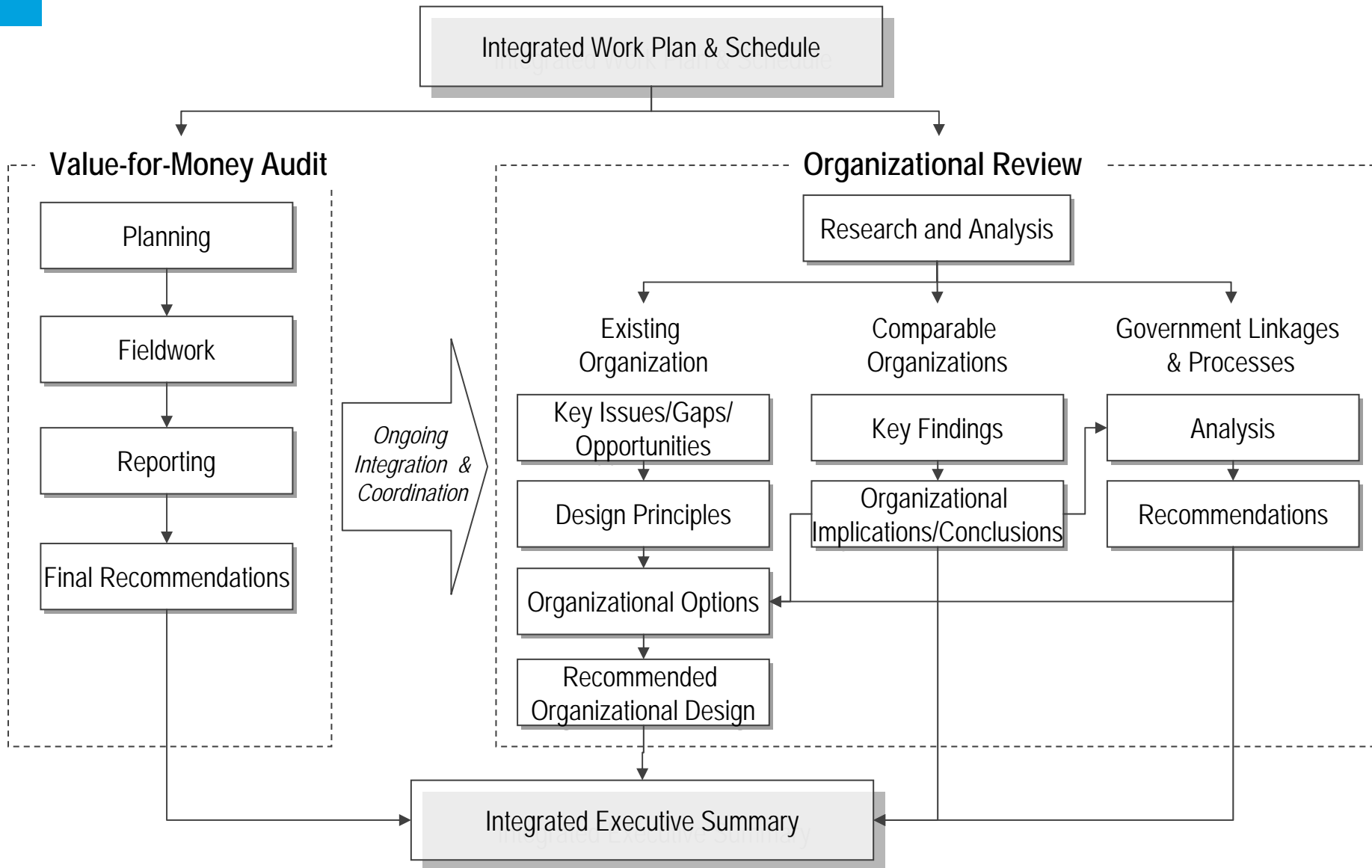
- **Purpose**

1. To determine the extent to which TWRC has provided value for money in executing its mandate and programs focusing on three areas:
 - Procurement Process
 - Executive Compensation Process
 - Overall Project Management Approach and Practices End-to-End
2. To provide the TWRC with the information necessary to assure TWRC that it has the organizational capability to meet its goals and deliver its future programs

- **Scope**

- Included working with the TWRC staff and three government secretariats
- Did not include a detailed review of the governments/agencies or a review of the existing governance model

Approach

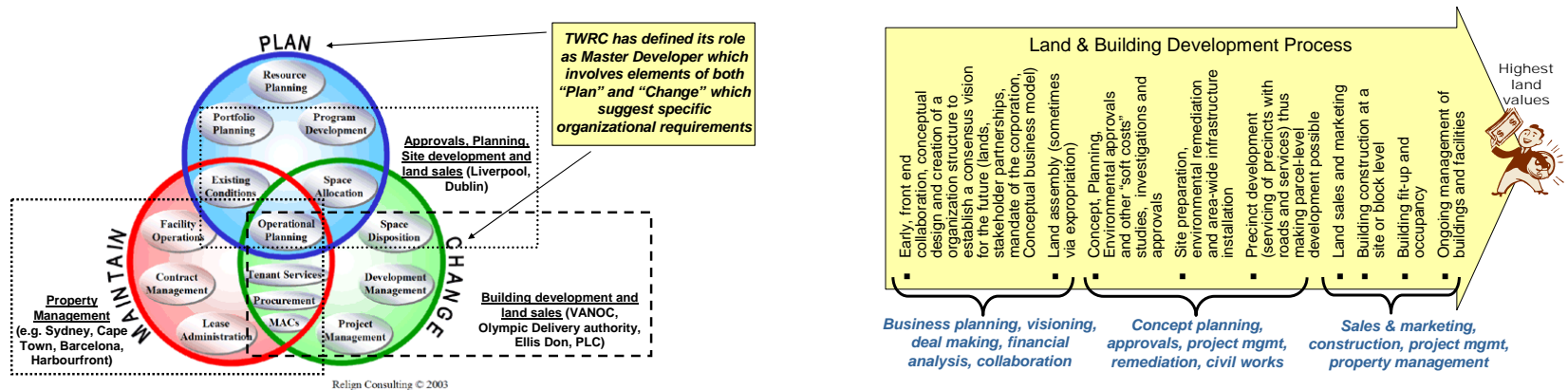


Key Findings and Recommendations

- **TWRC is Providing Value-for-Money**
 - Number of specific recommendations for improving organizational performance
- **Progress has been Made on the Waterfront Yet Expectations are Mounting**
 - Increasing expectations and pressures on TWRC “to do something” especially as it moves more from planning to implementation
- **There is Overall Support for TWRC’s Strategic Direction**
 - Some of the mechanisms and processes are a key challenge
 - For example, the contribution agreement process is described in the VFM Audit “as hindering TWRC’s ability to deliver projects”
 - Without changes in some of these areas, the chances of successful revitalization are significantly reduced

Key Findings and Recommendations

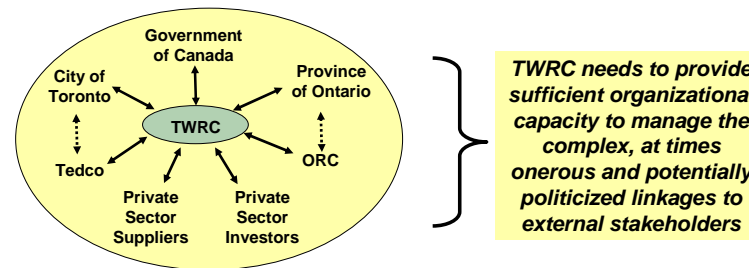
- Attracting Private Sector Investment is a Priority**
 - TWRC should develop explicit strategy and establish a lead organizational accountability for attracting/generating private sector investment
- TWRC's has Defined Its Role in Leading the Revitalization**
 - TWRC has described its role as "master developer" in support of the overall public policy agenda



- TWRC should ensure that the three governments, and other key stakeholders, have a common understanding of the intent and implications of this role

Key Findings and Recommendations

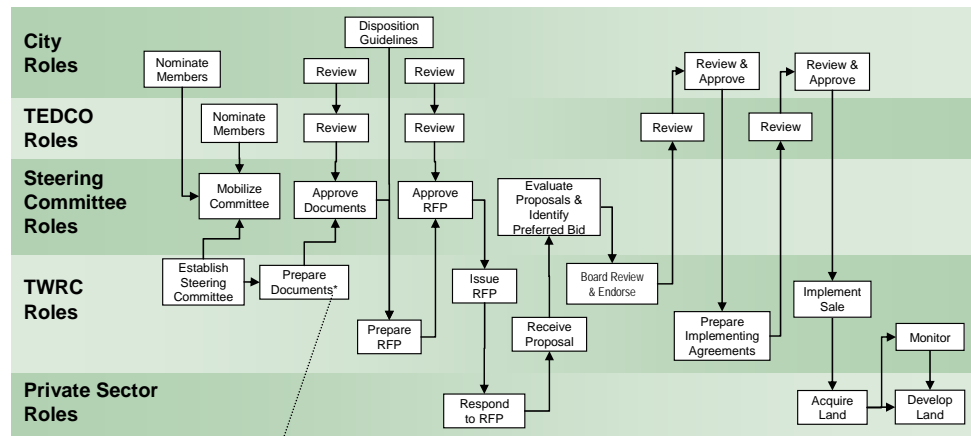
- **Continuing to Focus on, and Improve, the Ongoing Working Relationships with Governments will Contribute to Faster and More Successful Revitalization**
 - Working relationships with secretariats described as supportive and collaborative while recognizing that the level of involvement/engagement with each may vary



- Recommended that TWRC:
 - Proactively manage its ongoing working relationship with the secretariats
 - Provide sufficient organizational capacity to manage the linkages with external stakeholders
 - Define a set of operating principles – TWRC, three governments and their agencies

Key Findings and Recommendations

- **The Role of the Board should be Confirmed**
 - The role of the Board, and the extent of its accountabilities and decision making powers in delivering on TWRC’s mandate and the five and ten-year plans, in light of the funding and approvals mechanisms currently in place, be confirmed
- **The Requirements and Implications of the Existing Memoranda of Understanding need to be Understood and Addressed**
 - Existing MOUs will place significant demands on the TWRC and its stakeholders
 - Need to streamline and rationalize the land development and sale processes



*According to MOU S 12.4&12.5, TWRC is to prepare the following documents, all of which are to be reviewed by City/TEDCO: Design Guidelines, Building Envelope Regimes, Soils/Groundwater protocols, Green Building Standards, District heating provisions, Infrastructure requirements, creation of a Design Review Panel to review site plan applications, EA and remediate standards, Records of Site Condition, description of RFP process and employment & tourism targets

Process is further complicated by the need to coordinate with Board and/or Council meeting dates

Key Findings and Recommendations

- **The Requirements and Implications of the Existing Memoranda of Understanding need to be Understood and Addressed (cont'd)**
 - Recommendations:
 - “Swimlane” diagrams be prepared for each MOU in order to clarify and confirm expectations and requirements, and specifically, who, does what, by when, and to identify non-value add activities that might be eliminated
 - The document approval and decision process be streamlined by establishing target timelines for task completion by all participants and adopting an automatic escalation protocol
 - Consideration be given to creating a standardized MOU template

Key Findings and Recommendations

- **Existing Committees and Task Forces should be Reviewed**
 - TWRC staff are currently involved in multiple committees and taskforces (20+)
 - Recommendations:
 - TWRC's involvement in the various committees and task forces be coordinated and/or consolidated to the extent possible
 - Include consideration of the role, and ongoing need, for a given committee or task force in light of expected future demands and requirements

- **The Role of the Intergovernmental Steering Committee should be Confirmed**
 - Recommendations:
 - Role of the IGSC be clarified and confirmed, especially as it relates to the coordination of the interface between the secretariats and TWRC
 - Consideration be given to formally including TWRC as part of the Committee's meetings, potentially as a member

Key Findings and Recommendations

- **Even though TWRC is Providing Value-for-Money, there are Opportunities for Improvement**
 - Recommendations from the VFM Audit include:
 - Expedite the procurement process
 - Improve project management
 - Find mutually agreeable alternatives to the indemnification clause included in the contribution agreements
 - Work more effectively within the existing contribution agreement process
 - There are also several recommendations in the report that focus on improving the management of human resources
 - TWRC is already taking action on a number of these recommendations
 - Specific approvals may be required from the three governments to undertake certain activities (e.g., negotiating an operating line of credit, raising revenues or creating subsidiaries)

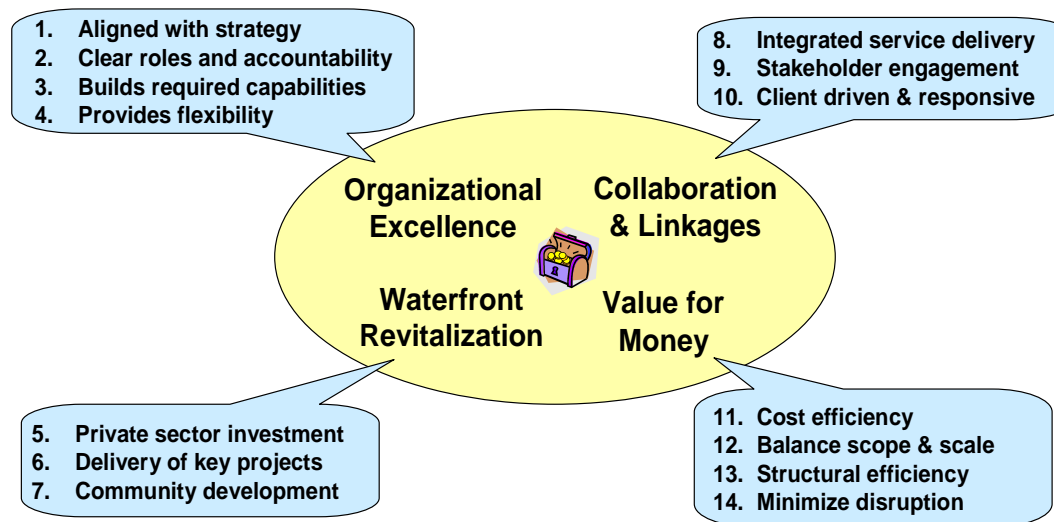
Key Findings and Recommendations

- **Opportunities for Improvement** (cont'd)
 - Recommendations from the Organizational Review include:
 - Integrate procurement, where appropriate, with land sales and marketing
 - Clarify accountability for project management and delivery of major projects
 - Confirm corporate and project-specific priorities and measures as part of the annual planning process
 - Ensure that as program management is internalized, roles and responsibilities are clearly defined and communicated, including for ERs
 - Improve the contribution agreement process by:
 - Board members working with their respective governments
 - TWRC/the governments adopting an automatic escalation protocol
 - TWRC/the governments conducting a detailed review of the existing process with the objective of streamlining where possible
 - TWRC should work closely with the governments to conduct a detailed review of each of the above noted areas to identify and implement improvements
 - Include leveraging the experience and best practices of the governments

Key Findings and Recommendations

▪ The Existing Organizational Design can Work

- Concluded that the current model generally works with some “tweaking” and that significant re-organization is not called for at this time

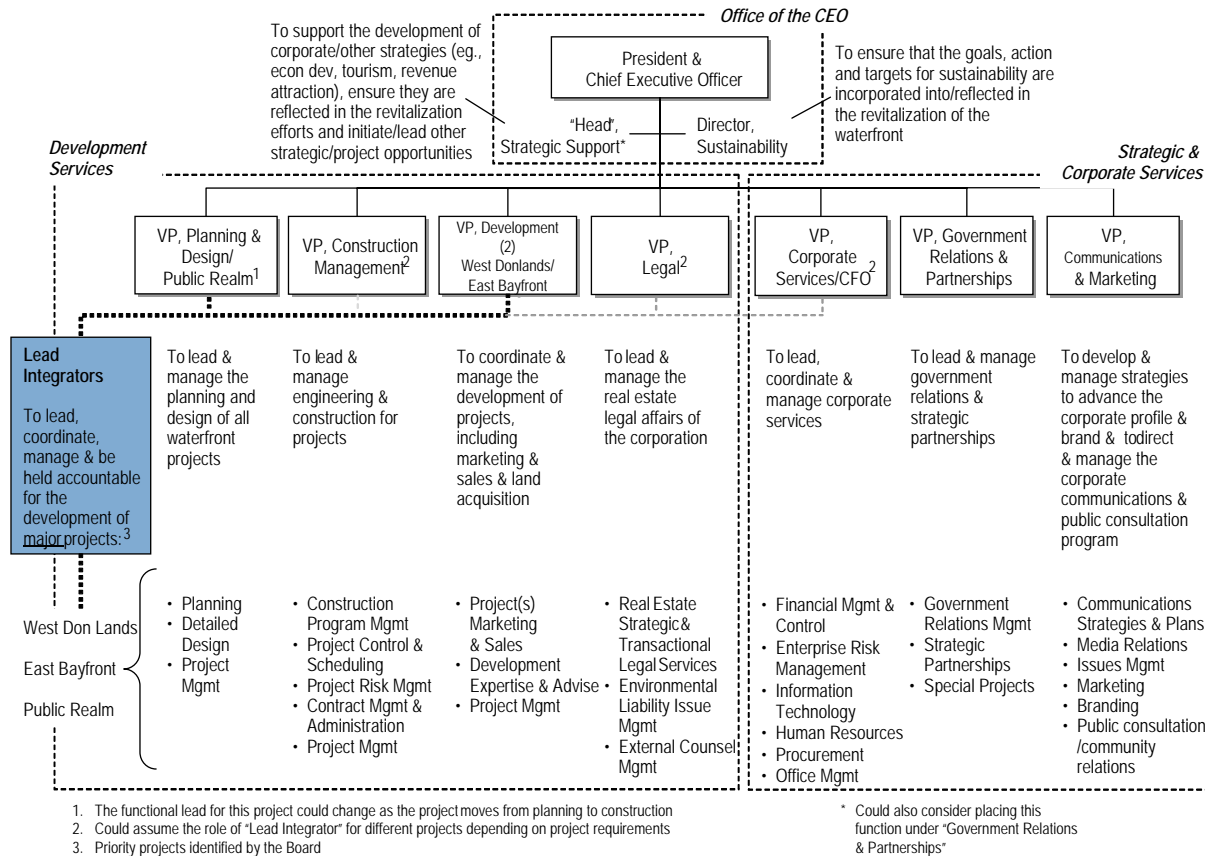


Key Findings and Recommendations

- **The Existing Organizational Design can Work (cont'd)**
 - Key changes:
 - Establish “Lead Integrator” role to create broader focus, perspective and accountability on/for the priority projects identified by the Board while preserving functional/technical expertise
 - Consolidate common project management functions and expertise under the VP, Construction Management
 - Cluster all corporate services under the VP, Corporate Services/CFO
 - Create new role in the Office of the CEO to provide strategic support to the CEO/the organization in the development and integration of corporate/other strategies (e.g., economic development, tourism, revenue attraction)

Key Findings and Recommendations

■ The Existing Organizational Design can Work (cont'd)



Key Findings and Recommendations

- **The Way Forward is Becoming Increasingly Clear**
 - As noted in the report
 - Progress is being made on the waterfront
 - Priorities are being defined
 - Action is being taken
 - The spirit of cooperation appears to be strong
 - Clarifying roles, processes and key linkages are part of the normal evolution of a growing organization
 - TWRC has made significant progress in this regard. Implementing selected changes in key areas of its operation and structure should position it well for future success.

High Level Implementation Plan

Task	Accountabilities	Timeline	Comments
<p>1. Confirm the final organizational design and inform the Board and staff accordingly</p> <p>Develop job descriptions to support any changes in roles and responsibilities</p>	<p>President & CEO</p> <p>VP, Corporate Services/CFO (re. Human Resources accountability)</p>	<p>1 month</p>	<p>Additional resources may be required to develop the roles and responsibilities within the suggested timeframe</p>
<p>2. Confirm the recommendations to be further pursued as a result of the VFM Audit and develop a detailed implementation plan</p> <p>Submit plan to Board for approval</p>	<p>VP, Corporate Services/CFO</p> <p>President & CEO</p>	<p>1 month</p>	<p>No additional resources required to develop the implementation plan</p> <p>Additional resources may be required to move forward with implementation of some of the recommendations</p>

High Level Implementation Plan

Task	Accountabilities	Timeline	Comments
<p>3. Confirm the recommendations to be further pursued as a result of the review of government linkages and processes and develop a detailed implementation plan</p> <p>Submit plan to Board for approval</p>	President & CEO	1 month	<p>No additional resources required to develop the implementation plan</p> <p>Additional resources may be required to move forward with implementation of some of the recommendations</p>
<p>4. Develop a communication strategy and plan to rollout the approved changes and related implementation plans to key stakeholders</p> <p>Submit Plan to Board for approval</p>	VP, Communications and Marketing	1.5 months	Additional resources may be required to develop the communication strategy and plan depending on other demands in this area

High Level Implementation Plan

Task	Accountabilities	Timeline	Comments
5. Monitor and report on the progress of implementation of the approved recommendations to the Board (through the Audit Committee as requested by TWRC), governments and other key stakeholders on an ongoing basis	President & CEO	Monthly (starting in month 2)	No additional resources required

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